

SUBJECT: The Army's Residential Communities Initiative (RCI) in Hawaii

1. PURPOSE. Provide information on The Army's RCI-Hawaii project.

2. BACKGROUND:

a. The 1996 Military Housing Privatization Initiative (MHPI) act provided the Military Services with authority to obtain private sector capital and expertise to operate, manage and improve military family housing.

b. In 2000, 70% of Army Family Housing (AFH) was classified as inadequate. To comply with the Department of Defense goal to program the elimination of inadequate family housing by 2007, The Army plans to leverage the 1996 privatization authorities to create affordable, quality housing for soldiers and their families. The Army will privatize about 70,000 homes in the US by 2006, including 7,700 homes on Oahu, Hawaii.

3. DISCUSSION.

a. The Army has executed four pilot projects at Ft Carson, CO (Sep 99); Ft Hood, TX (Oct 00); Ft Lewis, WA (Apr 02); and Ft Meade, MD (May 02). Lessons learned from these projects have been applied to all subsequent projects, including three newly awarded projects at Fort Bragg, NC (May 02), Presidio of Monterey, CA (Jul 02) and Fort Campbell, KY (Aug 02). Hawaii is the 17<sup>th</sup> RCI venture that The Army will undertake.

b. The Army plans to select the Hawaii partner by a Request for Qualifications (RFQ) in two phases. First, offerors will be asked to demonstrate that their organization meets required administrative minimums. A Request For Qualification will then be issued to qualified organizations. Respondents to the RFQ provide information on their experience, preliminary concept, financial capability, financial return expected, organizational capability, past performance, and small business utilization plan. Once The Army selects a partner, the partner collaborates with The Army to develop a Community Development and Management Plan (CDMP) over a six-month period. The CDMP is an integrated financial, development, operations and maintenance plan that addresses the vision and requirements of the Installation. Once The Army and Congress approve the CDMP, the partner executes the plan over a 50-year period. The project income is derived from the service member's Basic Allowance for Housing (BAH).

c. An Industry Forum for the Hawaii RCI project was held 28 August 2002, followed by a site visit to the AFH areas on Oahu. Details on the Industry Forum, and other information on the RCI program, including previous Requests for Qualifications (RFQs) and lists of companies that have expressed interest in the RCI program by attending a previous Industry Forum, can be found on the Army's RCI website: <http://www.rci.army.mil>. Information on the RCI project in Hawaii can also be found on the 25<sup>th</sup> Infantry Division Light webpage at: <http://www.25idl.army.mil> under "Housing Privatization".

d. Major milestones for RCI in Hawaii follow:

Administrative Minimums Requested	November	2002
RFQ Announced	December	2002
RCI Partner Selected	June	2003
Transfer Operations to Partner	June	2004

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Visit The Army's RCI website: <http://www.rci.army.mil>